

payment owed by the Department of Housing and Urban Development (HUD) to the Treasury. Since passage of the Deficit Reduction Act of 1984 (Public Law 98-369), HUD has financed the low-rent public housing program by direct loans rather than by guaranteeing the tax-exempt market borrowing of local public housing authorities. In 1985, when approximately \$14 billion in outstanding guaranteed loans reached maturity, HUD borrowed from the Treasury to redeem the loans. HUD now owes the Treasury this \$14 billion, plus capitalized interest, plus additional debt service. The Administration proposes to forgive this obligation and any interest due the Treasury. This proposal reduces outlays in budget function 600 (Income Security) by \$1.4 billion in 1987 and by \$1.8 billion in 1991. Because interest receipts in the net interest function are reduced by an equal amount, the proposal has no net budgetary effect.

The President's budget proposes to curtail the Federal Financing Bank's (FFB) lending activity. By the end of 1991, total FFB loans outstanding are projected to be \$153 billion, under the President's proposals, compared with \$173 billion in the CBO baseline. As a result, interest receipts from the FFB are only slightly lower than the CBO baseline in 1987, but are lower by \$1.1 billion in 1991. (Since FFB interest enters the budget as an offsetting receipt--a negative outlay--reductions in interest receipts are recorded with a positive sign.)

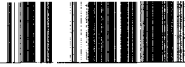
Two of the President's proposals that affect net interest involve the sale of assets. The sale of the loan portfolios of the Small Business Administration (SBA) would reduce interest receipts by \$0.5 billion over the 1987-1991 period. The proposal to sell the Bonneville Power Administration (BPA) in 1988 results in a loss of interest receipts to the Treasury from BPA's borrowing. The loss is \$0.2 billion in each year, from 1989 through 1991. The proceeds from the proposed sales are shown in budget functions 370 and 450 (for SBA) and 950 (for Bonneville).

Other proposals result in small changes in net interest. Among these are reclassifying the FFB surplus (interest receipts in excess of administrative costs) from general government (budget function 800) to net interest, increasing the FFB lending premium from one-eighth percentage point to one-half percentage point, and various changes that affect intragovernmental interest receipts.

CBO Reestimates

Of the \$81.4 billion in reestimates made to the budget's net interest figures over the 1987-1991 period, over two-thirds--\$57 billion--results from differences in interest rate assumptions. These reestimates range from





-\$1.6 billion in 1987 (when CBO's interest rate assumptions are below the President's for most of the fiscal year) to \$24.1 billion in 1991.

Another \$26 billion in reestimates over the five-year period results from deficits that are higher than those contained in the President's budget. Because of reestimates revenues and outlays in other budget functions, CBO projects that federal borrowing needs would be higher than those forecast by the Administration. Additional interest costs from this borrowing grow from \$0.8 billion in 1987 to \$9.3 billion in 1991.

The rest of the CBO reestimates of net interest are of varying signs, and their effect over the 1987-1991 period totals -\$1.6 billion. One of the largest among these reestimates is for interest receipts from Outer Continental Shelf escrow accounts, where CBO estimates differ in timing and amount from those of the Administration, as discussed in budget function 950. Additional reestimates result from different assumptions about patterns of lending through the FFB and other programs, different assumptions about the maturity mix of Treasury borrowing, and other factors. These reestimates are more fully discussed in Appendix C.

FUNCTION 920: ALLOWANCES

MAJOR SPENDING CHANGES PROPOSED FOR BUDGET FUNCTION 920:
ALLOWANCES (By fiscal year, outlays in billions of dollars)

Item	1987	1988	1989	1990	1991	Cumulative Five-Year Changes
CBO Baseline	1.1	3.2	5.5	8.0	10.7	
Proposed Changes						
Civilian Agency Pay Raises	-0.7	-1.3	-2.5	-3.7	-5.2	-13.4
Increased Employer Share, Employee Retirement	<u>0.3</u>	<u>0.5</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>2.0</u>
Total	-0.4	-0.8	-2.0	-3.3	-4.8	-11.3
President's 1987 Budget as Estimated by CBO	0.7	2.3	3.5	4.7	5.9	
President's 1987 Budget	0.8	2.4	3.5	4.7	5.9	
CBO Reestimates	<u>a/</u>	<u>a/</u>	<u>a/</u>	<u>a/</u>	-0.1	-0.2

a. Less than \$50 million.

Proposed Policy Changes

The allowances function contains two proposals affecting pay levels and retirement contributions for employees of civilian agencies. The Administration is proposing to limit pay rate increases to 3.0 percent each year for white- and blue-collar civilian employees, effective in January for white-collar employees and with a three-month delay for blue-collar employees. The Administration, however, requests only one-half of the amount necessary to fund the proposed increase in 1987. Thus, civilian agencies would be required to pay for 50 percent of the 1987 pay raise from other funds. On the other hand, the Administration requests funding of the total cost of the 1987 pay raise for Department of Defense civilians, shown





in the national defense function. Uniformed employees of civilian agencies would receive the same increases as Department of Defense military employees.

The CBO baseline assumes pay rate increases equal to the annual rate of projected growth in private-sector pay: 3.3 percent in fiscal year 1987, 5.8 percent in 1988, 5.9 percent in 1989, 5.9 percent in 1990, and 6.1 percent in 1991, effective in October each year for white-collar employees. CBO estimates that the Administration's proposal will reduce outlays by \$0.7 billion in 1987 and by a total of \$13.4 billion through 1991, compared with the CBO baseline.

The Administration also proposes to increase the amount that all civilian workers and their employing agencies pay into the Civil Service Retirement trust fund from 7 percent to 9 percent of earnings, beginning in January 1987. The Administration includes an allowance in this function to cover the cost of the additional contributions by civilian agencies, excluding the U.S. Postal Service. An allowance for increased contributions by the Department of Defense for its civilian employees is included in the national defense function.

CBO estimates that this proposal would increase the contributions of employing agencies by \$0.3 billion in 1987, and by a total of \$2.0 billion through 1991. These increased agency contributions, however, are also reflected as offsetting receipts in budget function 950 and have no net budgetary effect. (The increased employee contributions to Civil Service Retirement are shown in the budget as higher revenues.)

CBO Reestimates

CBO's outlay estimates do not differ significantly from the Administration's estimate for this function.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

MAJOR SPENDING CHANGES PROPOSED FOR BUDGET FUNCTION 950:
UNDISTRIBUTED OFFSETTING RECEIPTS
(By fiscal year, outlays in billions of dollars)

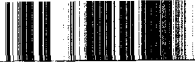
Item	1987	1988	1989	1990	1991	Cumulative Five-Year Changes
CBO Baseline	-35.9	-39.8	-41.1	-42.6	-45.4	
Proposed Changes						
Employer Share, Employee Retirement	-0.9	-1.3	-1.3	-1.1	-0.1	-4.7
Sale of Naval Petroleum Reserves <u>a/</u>	---	-2.4	---	---	---	-2.4
Sale of Power Marketing Administrations <u>a/</u>	---	-0.8	-8.5	-1.6	-1.4	-12.3
Total	-0.9	-4.5	-9.8	-2.7	-1.5	-19.4
President's 1987 Budget as Estimated by CBO	-36.8	-44.2	-50.9	-45.3	-46.8	
President's 1987 Budget	-38.1	-46.4	-43.8	-49.3	-50.2	
CBO Reestimates	1.3	2.2	-7.1	3.9	3.3	3.6

- a. The receipts from the proposed sale of the Naval Petroleum Reserves and the power marketing administrations appear in function 950. Function 270 outlays would increase relative to the baseline after the sales occur, because these assets would no longer generate receipts for the government.

Proposed Policy Changes

The budget includes new measures for increasing undistributed offsetting receipts by about \$19.4 billion over the 1987-1991 period. First, the President's budget proposes several changes that would increase offsetting receipts for the employer's share of employee retirement. The President





requests lower military and civilian pay increases than assumed in the CBO baseline. The budget also assumes that the percentage of basic pay required for military retirement contributions is lower than that assumed by CBO. This results in offsetting receipts that are initially below those in the CBO baseline. Increases in receipts resulting from proposed legislation, however, more than offset these decreases. Proposed legislation includes an increase of 2 percent in federal employers' payments for the costs of Civil Service and Foreign Service Retirement. The U.S. Postal Service and the District of Columbia would be required to pay the full government share of the cost of their employees' retirement. The net effect of these proposals is to increase offsetting receipts by \$0.9 billion in 1987, declining to \$0.1 billion by 1991. These changes simply represent larger intragovernmental transfers.

The President also is proposing to sell the government's interests in the Naval Petroleum Reserves (NPRs) and the power marketing administrations (PMAs). If undertaken, these sales are likely to occur over the next several years, probably beginning no earlier than 1988. CBO estimates that receipts from these sales would total \$14.8 billion over the 1988-1991 period. Spending in budget function 270 (Energy) would increase by about \$3.6 billion in this period, however, because the government would not receive the net income that these assets would generate if not sold. Income would be lost in years after 1991 as well.

Naval Petroleum Reserves. The government owns approximately 78 percent of the Elk Hills oil field, known as NPR-1, and 100 percent of the Teapot Dome oil field, known as NPR-3. Selling these interests is estimated to increase federal receipts by \$2.4 billion in 1988. The selling price is highly dependent on the timing of these sales and the private market's expectations of future oil prices. If the sale were to take place in 1987, the expected bids could be \$3 billion or higher because of the greater income potential to the buyer by owning and operating the oil fields for another year. On the other hand, if oil prices are expected to remain below \$20 per barrel, the total bids for the NPRs could be less than \$2 billion in 1988. Lost receipts from oil sales would be about \$0.8 billion in 1988 and \$2.6 billion over the 1988-1991 period.

The budget includes receipts from the sale of the NPRs of \$1.2 billion in 1987 and \$2.4 billion in 1988, for a total of \$3.6 billion. CBO estimates total receipts of \$2.4 billion, all in 1988. The primary reason for the reestimate is that CBO expects that the sale of the NPRs would not be completed until 1988, while the Administration assumes that the sale would occur in 1987. CBO estimates a lower sale price, because it assumes lower oil prices and because the value of the reserves declines over time as more of the proved oil reserves are produced and sold. (On the other hand, later

sale would also result in higher receipts from the sale of NPR oil in budget function 270.)

Power Marketing Administrations. The President recommends selling the five power marketing administrations (PMAs) in the Department of Energy: the Alaska PMA, the Bonneville Power Administration (BPA), the Southeastern PMA, the Southwestern PMA, and the Western PMA. These agencies sell and transmit the electricity produced at federal dams owned and operated by the Corps of Engineers and the Bureau of Reclamation. Together they market about 9 percent of the electricity sold in the United States, and have a book value of about \$15.6 billion. The Administration believes that marketing electricity is no longer a federal responsibility, and that states, localities, and private management could be more responsive to customer needs. CBO estimates that the government could receive about \$12.3 billion from such sales by 1991, which would be partially offset by lost income (in the energy function) of about \$1 billion in 1990 and 1991 and additional amounts in subsequent years.


Potential receipts from selling the PMAs are very uncertain, because of the differing values of these assets to prospective buyers, and because of the uncertain impact of the sale on federal tax revenues. Although the President's estimate of \$13.9 billion in sales receipts falls within a range of possible values, CBO estimates that the receipts are likely to be lower--about \$12.3 billion by 1991. This estimate assumes that purchasers would be able to set electric rates to their customers at competitive levels, and that purchase prices will reflect this expectation. The reestimate also reflects CBO's assumption that all of the assets of the Bonneville Power Administration will be sold at the same time (in fiscal year 1989) and that the government will receive full payment in that year. The budget figures, on the other hand, arbitrarily spread the payments out over a number of years.

Conrail. The President's budget assumes that Conrail will be sold to the Norfolk Southern Corporation in fiscal year 1986. CBO estimates that the government would receive \$1.25 billion at the time of such sale, but would lose, over the 1987-1991 period, approximately \$1.0 billion in interest and dividend payments from Conrail and about \$0.5 billion in tax revenues. (The dividend and interest losses would be reflected in budget function 400.)

CBO Reestimates

The President's budget projects receipts from the Outer Continental Shelf and the sale of the NPRs and PMAs that are \$5 billion greater than those estimated by CBO over the 1987-1991 period. However, because the CBO





estimate of receipts from retirement contributions is \$1.4 billion greater than the Administration's, the net estimating difference in this function for the five-year period is \$3.6 billion. The effect of the CBO reestimates is to increase budget outlays by \$3.6 billion above the level estimated by the Administration for the 1987-1991 period.

APPENDIXES





APPENDIX A

THE ADMINISTRATION'S CREDIT INITIATIVES

The Balanced Budget and Emergency Deficit Control Act of 1985 fully integrates federal credit programs into the required, phased reduction of the budget deficit. The President's 1987 proposals contain a number of changes in federal credit assistance that would reduce the deficit. These proposals fall into three general categories: those that would reduce program activity; those that would change direct loan programs to loan guarantees; and structural changes, including loan asset sales and user fees for sponsored financial intermediaries. Although all these changes could contribute to short-term deficit reduction, they have somewhat different long-term budgetary effects and capital market implications. This appendix describes the President's credit budgetary reduction strategies by broad category and discusses their effects on the budget and credit markets.

The magnitude of the President's credit reduction proposals is summarized in Table A-1. New direct loans over the next five years would be reduced by \$45 billion or 25 percent from CBO projected baseline levels. New loan guarantee commitments would be reduced by \$98 billion or 21 percent.

PROGRAM REDUCTIONS

The President proposes to reduce the levels of credit activity by lowering both the supply and demand for federal credit assistance.

To reduce the supply of credit, the President proposes to terminate programs. Direct lending for rural housing by the Farmers Home Administration is to be terminated and replaced in part by Housing and Urban Development (HUD) housing vouchers. Water and waste disposal, community facilities, and industrial development loans now provided by the Farmers Home Administration are to be discontinued. The direct loan and loan guarantee programs of the Small Business Administration are to be halted. Ship construction loan guarantees will no longer be available from the Maritime Administration if the President's proposal is adopted. Agency for International Development housing loan guarantees and Department of Education subsidized college housing loans would also be ended.



The demand for federal credit assistance would be reduced by placing restrictions on the eligibility of beneficiaries and by lowering the amount of the subsidy conveyed in many assisted transactions. Mortgage loan guarantees from the Federal Housing Administration would be available in the future only to those with gross family incomes of \$40,000 or less, thus reducing the potential number of eligible borrowers. The up-front insurance premium on FHA loans would be increased from 3.8 percent of principal to 5 percent, and these premiums and other closing costs could no longer be financed by adding them to the loan amount. The rate of interest on Rural Electrification Association direct loans would be raised from 5 percent to the Treasury's cost of money plus 1 1/8 percent. The interest rate on National direct Student Loans would rise from 5 percent to 3 percent above the 91-day Treasury bill rate. The origination fee charged by the Veterans Administration on mortgage loan guarantees would be raised in steps from 1 percent of principal to 3.8 percent by 1990.

TABLE A-1. PROPOSED CHANGES IN CREDIT PROGRAMS
(By fiscal year, in billions of dollars)

	1987	1988	1989	1990	1991	Cumulative Five-Year Total
Direct Loans						
CBO Baseline	37.5	36.1	35.2	34.2	33.9	176.9
Proposed Changes	-5.3	-7.2	-9.2	-11.1	-11.9	-44.7
President's 1987 Budget as Estimated by CBO	32.2	28.9	26.0	23.1	22.0	132.2
Primary Guaranteed Loans						
CBO Baseline	88.1	91.6	94.7	97.9	101.3	473.6
Proposed Changes	-14.8	-16.9	-19.0	-21.5	-25.8	-98.0
President's 1987 Budget as Estimated by CBO	73.3	74.7	75.7	76.4	75.5	375.6

SOURCE: Congressional Budget Office.

Both of these approaches will reduce activity levels in federal credit programs. The supply side restrictions will do so directly; the demand side measures will do so by restricting eligibility and by increasing the attractiveness of alternatives to federal assistance. Reductions in new direct loan disbursements will have a direct and immediate effect on current budget outlays. Disbursements that otherwise would have occurred will be avoided. In future years, however, repayments of principal and interest that would have been received will not take place. Reduced levels of new loan guarantee commitments have a more distant effect on outlays because the costs of a guarantee is recognized in the budget only when a guaranteed borrower defaults and the government must honor its commitment. Thus, the budget saving from lower levels of guarantees will occur mostly in the budget out-years.


To the extent that activity levels decline because of the increase in guarantee fees and direct loan interest charges, current year collections from the higher charges will be offset by the reduced volume of loans. The size of the offset will depend on the sensitivity of demand to these higher fees.

The capital market effects of these proposed changes depend largely on how the potential beneficiaries of federal credit programs react. To be sure, as program levels decline, the federal government will have to borrow less to finance its direct loans and to honor its guarantee commitments. But to some extent, borrowers excluded from federally assisted credit, either by program cutbacks or higher fees, will borrow from other sources. Consequently, the total demand for credit will not be reduced by the amount of the federal reduction. At one extreme, if all federally-assisted borrowers excluded by these program cutbacks switched to private lenders instead, the total demand for credit would be unchanged. At the other extreme, if none of those squeezed out of the federal programs obtained credit elsewhere, total credit market demand would fall by the full amount of the proposed volume reductions. In fact, some but not all excluded federal borrowers will obtain credit elsewhere. The most deeply-subsidized borrowers in federal programs are most likely to be unwilling, and perhaps unable, to find credit elsewhere.

CHANGE DIRECT LOANS TO GUARANTEES

The President proposes to change several direct loan programs to loan guarantees. Important examples are the farm operating and farm ownership loans of the Agricultural Credit Insurance Fund (ACIF) administered by the Farmers Home Administration and the direct loan program of the Export-Import Bank of the United States (Eximbank).





Currently, ACIF provides direct loans to farmers at interest rates below 9 percent for up to seven years for operating loans and up to 40 years for ownership loans. The Office of Management and Budget (OMB) estimates that in 1985 these concessionary loan terms constituted a subsidy with a present value equal to 14 percent of direct loan obligation for operating loans and 28 percent of obligations for ownership loans. ACIF also guarantees loans extended by commercial lenders to qualified farmers. The ACIF guarantee permits the borrower to obtain funds on more favorable terms than would otherwise be available. OMB estimates that the subsidy value of guaranteed operating loans is 6 percent of principal, and that of guaranteed ownership loans is 15 percent of principal. Thus, to switch borrowers from more heavily subsidized direct loans to guarantees with only about half the subsidy would both reduce the demand for these loans and the government's cost per dollar of loans assisted.

The lower ACIF subsidy will diminish the demand for assisted lending, and the need for government funding of the loan will be reduced. As a consequence, short-term budget outlays will fall by the amount the cash disbursement and the interest rate subsidy are reduced. Direct demands by government on credit markets will be similarly reduced. Total credit demand will decline, however, only by the amount that former direct loan borrowers do not switch to guaranteed loans.

The Eximbank proposal is fundamentally different from the ACIF change. The Administration's proposes to restructure the subsidized loan program to finance the loans with agency guaranteed borrowing rather than by Treasury borrowing, without changing the nature or terms of the loans. Eximbank would continue to select the borrowers, provide an interest subsidy equal to the subsidy provided for a direct loan through the current program, and service the loan after arranging financing through a private lender. Lenders would be selected competitively, but would be guaranteed payment of interest and principal. Since borrowers would be subsidized as heavily as they are now, there would be no reduction in the cost to the government or in the federal intervention in the capital markets. The Eximbank guaranteed financing is equivalent to an agency debt transaction. The Congressional Budget Office (CBO) continues to record the subsidized loan transactions as direct loans, requiring budget authority and outlays by the agency. In contrast, the budget records them as guaranteed loans.

STRUCTURAL CHANGES

The President proposes that the government begin a pilot program of loan assets sales. The budget assumes that loans with a face value of \$4.4 billion from 13 federal programs will be sold for revenues of \$2.0 billion. The largest sales would be from the Small Business Administration disaster loan and business programs (\$2.3 billion), Veteran's Administration vendee loans

(\$0.8 billion), college housing loans (\$0.6 billion) and the Government National Mortgage Association tandem plan loans (\$0.5 billion). The 1987 budget deficit would be reduced by \$1.7 billion, but this decrease would be offset by future deficit increases as a result of reduced repayments received from the loans that have been sold.

The proposal to sell government loans is recommended not because of the deficit effect—which as noted above is temporary—but because of the potential for improving the management of federal credit programs. The price paid for the loans by the private investor provides an improved measure of the subsidy cost to the government of providing the loans. The investors will offer a price that will reflect the present value of the future stream of repayments expected for the loan. The face value of the loan will be discounted to reflect the difference between the rate for a comparable unassisted loan to the same borrower. The discount covers both the interest subsidy and the potential loss from default. The budget assumes that the discount will reduce the value of the loans from their face value of \$4.4 billion to \$2.0 billion. CBO has not reestimated the potential revenues from these sales. The sale of the loans is needed to provide better data on the appropriate discount rates. More informed decisions on the appropriate budget levels for credit programs should result from having better information on the cost of the subsidies conveyed by the federal loan.

The Administration's policy is to sell loans to the public without a government guarantee. This policy is important for two reasons. First, the sale of loan assets with a guarantee has the effect of exchanging one form of government paper (a government guaranteed security) for another (Treasury debt used to finance direct loans). No reduction in government intervention in the capital markets results from this exchange. Because of the relatively illiquid nature of the federal guaranteed security compared with Treasury debt, the guaranteed security will cost the government more than comparable Treasury securities. Second, the government guarantee obscures the value of the subsidy conveyed by the original federal loan. Not only does the guaranteed sale not have the intended economic effects, improvement in government credit management resulting from better cost information would be prevented.

The President has proposed user fees for government-sponsored enterprises, both to raise revenue and to improve credit management. Fees are to be levied on net new debt securities issuances by Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Banks, Farm Credit Banks, and Student Loan Marketing Association (Sallie Mae). In addition, a smaller fee is proposed for new mortgage backed securities issued by Fannie Mae and Freddie Mac. The fees would begin in 1987 and increase gradually through 1991. The fee schedule distinguishes the higher risk enterprises, Farm Credit and Fannie Mae, from other lower risk entities by a higher debt fee. The weakened, current financial condition of the Farm Credit System is recognized by the longer phase-in period.





APPENDIX B

CBO REVENUE REESTIMATES

This appendix explains how CBO reestimated the Administration's budget revenues as published in the Budget of the U.S. Government for Fiscal Year 1987. It is a companion to Appendix C, which discusses CBO's reestimates of the Administration's expenditures. Although the two estimates of total revenues for 1987 are almost the same, CBO's estimates are above those of the Administration in four of six years by amounts that grow from \$1.6 billion in 1986 to \$3.8 billion in 1989 and to \$26.1 billion in 1991. The CBO revenue reestimates produce a net increase of \$42.6 billion above the Administration's projected revenues over the 1986-1991 period. Virtually all of this net increase is estimated to occur in 1990 and 1991 (see Table B-1).

Most of these upward reestimates result from differences between CBO's and the Administration's economic assumptions and arise as differences between CBO's baseline revenues and the Administration's current services revenues. Technical reestimates, about half of which derive from differences in estimates of proposed legislation and administrative actions, are small and, for the most part, offsetting.

REVENUE REESTIMATES REFLECTING DIFFERENT ECONOMIC ASSUMPTIONS

Since taxes are generally paid on the nominal values of the various tax bases and market transactions--personal and corporate incomes, imports, goods and services subject to excise taxes--different assumptions about the future values of these measures greatly affect the level of projected revenues. CBO's economic forecast supports higher levels of revenues than does the Administration's in 1986 and in each year after 1988. Economic reestimates appear by major tax source in Table B-2.

Personal and corporate income taxes and social insurance contributions account for most of CBO's economic reestimates. Differences in assumptions about the tax bases of these three major tax sources are shown in Table B-3.

CBO projects lower levels of taxable personal income through 1988, but significantly higher levels in the last three years of the projection period. This is directly responsible for somewhat lower individual income taxes early in the period and higher income taxes by growing amounts in 1989 and thereafter. The pattern of wage and salary assumptions roughly parallels that of the more aggregate personal income assumptions. CBO's lower projections from 1987 through 1989 yield less revenue in payroll taxes, but the reverse is true in 1990 and 1991.

TABLE B-1. CBO'S REESTIMATES OF ADMINISTRATION'S BUDGET REVENUES (By fiscal year, in billions of dollars)

	1986	1987	1988	1989	1990	1991
Revenues as Estimated by Administration <u>a</u> /	777.1	850.4	933.2	996.1	1,058.1	1,124.0
CBO Reestimates by Type						
Different economic assumptions	2.2	-1.7	-4.2	1.2	11.1	21.9
Different technical assumptions						
Baseline	-0.8	1.9	-1.7	1.4	3.7	1.9
Proposals	0.1	-0.7	0.8	1.3	1.8	2.3
Subtotal	1.6	-0.4	-5.1	3.8	16.7	26.1
Revenues as Reestimated by CBO <u>a</u> /	778.7	849.9	928.1	999.9	1,074.8	1,150.2

SOURCES: Budget of the United States Government for Fiscal Year 1987 and Congressional Budget Office.

- a. Aggregate revenues include payroll tax receipts of the Federal Old-Age and Survivors Insurance Trust Fund and Federal Disability Insurance Trust Fund (OASDI), which are off-budget.